

NEW PRODUCT ADVISORY No. 03-017

A FULL SERVICE PLAN'S INDIVIDUAL CONVERSION PRODUCT

ACTION: Review Concluded August 28, 2003

Amendment filing for AB 1401 Individual Conversion Product.

Filing Nos. 20034254; 20035755; 20036496; 20037076; 20037077; 20037137; and 20037187
Filed April 14, 2003 and amended May 30, 2003; July 21, 2003; August 22, 2003; August 28, 2003; and September 4, 2003

SUMMARY

A particular Plan filed its 2003 Individual Conversion Contract and Evidence of Coverage ("EOC") in compliance with AB 1401. The Department identified deficiencies in portions of the EOC, including the Plan's proposed skilled nursing facility limitation, and limitation for services in the event of a major disaster, war, civil disturbance or epidemic affecting facilities or personnel. The particular Plan resolved these deficiencies as set forth below.

SKILLED NURSING FACILITY LIMITATION

The particular Plan initially proposed a 30-day SNF limitation. The Department advised the Plan to ensure ready referral of patients to SNF providers at times as may be appropriate consistent with good professional practice and to make SNF services readily available at reasonable times consistent with good professional practice by either providing 100 days of SNF per calendar year or 60 days per benefit period with a new benefit period starting when the patient has been out of a SNF for 60 days. The particular Plan decided to provide 60 days of SNF coverage per benefit period.

BASIS OF ACTION

Section 1367 (d), (e).

RESPONSIBILITY FOR CARE IN THE EVENT OF A MAJOR DISASTER OR WAR

The particular Plan proposed language that it was not responsible for services in the event of a major disaster, war, civil disturbance, or epidemic affecting facilities or personnel. The Department required the particular Plan to delete this language. The particular Plan revised its language to disclose that it would use best efforts to provide or arrange for health care services if an unusual circumstance were to occur, such as a major disaster, epidemic, war, riot, civil insurrection, disability of a large share of Plan providers or facilities, or labor disputes. As revised, the EOC also directs enrollees that under such extreme circumstances, if they need emergency or urgent

services, they should go to the nearest hospital or provider and the particular Plan will provide coverage and reimbursement as described in its EOC.

BASIS OF ACTION

Section 1367(i) and Rule 1300.67.05.

Based on the particular Plan's revisions to the AB 1401 Individual Conversion, the Plan was permitted to implement the proposed product, subject to any future review and revision that may be necessary.